- 1.6 Plaintiff State of Washington commenced this action pursuant to the Consumer Protection Act, RCW 19.86;
- 1.7 Defendant DISH Network LLC ("DISH") was served with a Summons and Complaint or waived or accepted service;
- 1.8 Plaintiff appears by and through its attorneys, Robert W. Ferguson, Attorney General, and Shannon E. Smith and Sarah A. Shifley, Assistant Attorneys General;
- 1.9 Defendant appears by and through its attorneys, Lori Kalani and Aaron Lancaster of the firm Dickstein Shapiro LLP, and Bruce E.H. Johnson from the law firm of Davis Wright Tremaine, LLP;
- 1.10 Plaintiff and Defendant agree on a basis for the settlement of the matters alleged in the Complaint and to the entry of this Consent Decree against Defendant without the need for trial or adjudication of any issue of law or fact;
- 1.11 Defendant recognizes and states that this Consent Decree is entered into voluntarily and that no promises or representations have been made by the Attorney General's Office or any member, officer, agent, or representative thereof to induce Defendant to enter into this Consent Decree, except as provided herein;
- 1.12 Defendant, by entering into this Consent Decree, does not admit the allegations of the Complaint and specifically denies the allegations and any violations of Washington law.
 - 1.13 Defendant waives any right it may have to appeal from this Consent Decree;
- 1.14 Defendant further agrees that it will not oppose the entry of this Consent Decree on the grounds the Consent Decree fails to comply with Rule 65(d) of the Rules of Civil Procedure, and hereby waives any objections based thereon;
- 1.15 The parties agree that this Court shall retain jurisdiction of this action for the purpose of implementing and enforcing the terms and conditions of the Consent Decree and for all other purposes; and,

1.16 The Court finds no just reason for delay.

NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

II. GENERAL

- 2.1 <u>Jurisdiction</u>. This Court has jurisdiction over the subject matter of this action and over the parties. Plaintiff's Complaint in this matter states claims upon which relief may be granted under the provisions of the Consumer Protection Act, RCW 19.86.
- 2.2 <u>Defendant</u>. For purposes of this Consent Decree, the term "Defendant" where not otherwise specified shall mean DISH Network LLC ("DISH").
- 2.3 <u>Venue</u>. Venue as to all matters between the parties relating to or arising out of this Consent Decree is in King County, Washington.

III. DEFINITIONS

- 3.1 "Advertise" and "advertised" mean any written, oral, graphic, or electronic statement, illustration, or depiction that is designed to create interest in the purchase or lease of, impart information about the attributes of, publicize the availability of, or affect the sale, lease, or use of, DISH Goods or Services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, billboard, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television (in all forms), radio, commercial, text message, or any other medium.
- 3.2 "Advertised Sales Price" means the price advertised by DISH and applicable to all consumers who purchase a specific package or bundle of DISH Goods or Services, including but not limited to the \$24.99/month for the "America's Top 120" service package advertised by DISH on or around February 1, 2013.
- 3.3 "Consumer Protection Act" refers to the Washington Consumer Protection Act, RCW 19.86.

- 3.4 "Goods" means the equipment that DISH offers, leases, and/or sells to consumers, directly and/or through Third-Party Retailers, that enables consumers to receive DISH audio and video programming.
- 3.5 "Services" means the audio and video programming that DISH offers, leases, and/or sells to consumers, directly and/or through Third-Party Retailers, including but not limited to the installation, activation and/or delivery of DISH programming, equipment, and/or any other goods.
- 3.6 "Third-Party Retailer" means one or more persons, including but not limited to a corporation, a partnership, or any other type of entity who enters into an agreement with DISH that permits the person or entity to Advertise, promote, or sell DISH Services in connection with the person's or entity's sale or lease of DISH Goods.
- 3.7 "Washington B&O Tax" and "B&O Tax" mean the tax Washington State imposes on all businesses for the act or privilege of engaging in business activities in the state pursuant to RCW 82.04.220, as currently enacted or subsequently amended, which constitutes a part of the operating overhead of such businesses pursuant to RCW 82.04.500, as currently enacted or subsequently amended.
- 3.8 "Washington Surcharge" and "Surcharge" mean a charge DISH billed to and collected from Washington consumers that was referred on consumers' bills as "WA Surcharge" or "WA State Surcharge."
- 3.9 "Written Notice of Entry of the Consent Decree" shall mean the date on which Plaintiff's counsel sends an email notification to Defendant's counsel that this Consent Decree has been signed by the Superior Court Judge and filed with the Superior Court. Notice sent by Plaintiff's counsel after 2:00 p.m. Pacific time shall be deemed sent on the next business day. Defendant's counsel immediately shall acknowledge receipt of the notification.

IV. INJUNCTIONS

- 4.1 <u>Application of Injunctions</u>. The injunctive provisions of this Consent Decree shall apply to Defendant and its successors, assigns, executive officers, agents, servants, employees, and all persons or entities charged with performing any act or task required herein.
- 4.2 <u>Notice</u>. Within five (5) business days of the date upon which DISH receives Written Notice of Entry of this Consent Decree, Defendant shall inform and give actual notice of this Decree to all executive officers and persons or entities charged with performing any act or task required herein.
- 4.3 Defendant and its successors, assigns, transferees, executive officers, agents, servants, employees, and all persons or entities charged with performing any act or task required herein are hereby permanently enjoined and restrained from directly or indirectly engaging in the following acts or practices:
- (a) Seeking to recover or recovering from consumers in Washington state the Washington B&O Tax through any means other than inclusion in the overall Advertised Sales Price, including but not limited to recovery through a separate line-item charge, regardless of whether the separate charge is disclosed to consumers or factored into a previously quoted price.
- (b) Representing in any way that DISH's B&O tax liability is a tax upon a purchaser or consumer or otherwise collectible from a purchaser or consumer in any manner other than as an overhead cost to DISH factored into calculation of the Advertised Sales Price.
 - (c) Misrepresenting in any way the nature and/or basis of the B&O Tax.

V. RESTITUTION

5.1 Pursuant to RCW 19.86.080, DISH shall refund to all Washington consumers who purchased DISH Goods or Services after May 1, 2012, the amount of all Washington State surcharges collected from each such customer, inclusive of state, county, city, and/or

district taxes added thereto. Restitution shall be paid in accordance with the terms of Paragraph 5.3 herein.

- 5.2 Within twenty (20) days of the date upon which DISH receives Written Notice of Entry of the Consent Decree, DISH shall make a report to the Attorney General identifying the number of individual consumers entitled to restitution under Paragraph 5.1 and the total amount of restitution owed to all consumers ("Total Restitution").
- 5.3 Within sixty (60) days of the date upon which DISH receives Written Notice of Entry of the Consent Decree, DISH shall provide the restitution required by Paragraph 5.1 in the following manner:
- (a) For those consumers who, as of the date DISH receives Written Notice of Entry of the Consent Decree, are currently receiving Services from DISH, DISH shall credit to the consumer's account an amount equal to all Washington Surcharges paid by the consumer. The credit shall be identified in the consumer's bill and/or invoice as a separate credit against the monthly price and shall be labeled as follows: "WA CREDIT-SEE INSERT."
- (b) For those consumers who, as of the date DISH receives Written Notice of Entry of the Consent Decree, are not receiving Services from DISH, DISH shall mail a check via U.S. Mail to the last known address of the consumer in the amount of all Washington Surcharges paid by the consumer.
- (c) For those consumers who, as of the date DISH receives Written Notice of Entry of the Consent Decree, are receiving Services from DISH but pay their final bill to DISH before the credit could be applied to their account, DISH shall mail a check via U.S. Mail to the last known address of the consumer in the amount of all Washington Surcharges and related taxes paid by the consumer.

5.4 DISH shall provide notice to all consumers to whom restitution is owed. Notice shall be provided to consumers in the same mailing or emailing as the restitution check or credit invoice, and shall be provided in the same manner as the consumer is invoiced and/or billed *i.e.*, by email if the consumer has opted for electronic billing or by U.S. Mail if the consumer does not receive bills electronically. The notices shall read as follows:

(a) The electronic notice shall read as follows and shall contain a subject line that reads: "IMPORTANT -- NOTICE OF REFUND FOR DISH WASHINGTON CUSTOMERS"

Dear Washington Consumer,

Pursuant to a court-approved settlement of a lawsuit against DISH Network instituted by the Washington State Attorney General's Office, you are entitled to a refund in the amount of surcharges that you paid to DISH identified as "WA Surcharge" or "WA State Surcharge." Your refund is provided in the form of a credit on your DISH bill. Going forward, DISH shall not include such a surcharge on your bill.

If you would like additional information about this case or your refund, please visit the Washington State Attorney General's website http://www.atg.wa.gov or call 1-800-551-4636.

(b) The notice sent to consumers by U.S. mail shall read:

Dear Washington Consumer,

Pursuant to a court-approved settlement of a lawsuit against DISH Network instituted by the Washington State Attorney General's Office, you are entitled to a refund in the amount of surcharges that you paid to DISH identified as "WA Surcharge" or "WA State Surcharge." If you are a current DISH customer your refund is provided in the form of a credit on your DISH bill. If your DISH service agreement has terminated a refund check is enclosed. Going forward, DISH shall not include such a surcharge on your bill.

If you would like additional information about this case or your refund, please visit the Washington State Attorney General's website http://www.atg.wa.gov or call 1-800-551-4636.

- 5.5 Regardless of the form in which the restitution payment and notice are provided, no Advertising or promotion of any Goods or Services shall be included on the payment or notice other than advertisements generally and typically provided with billing notices. The notice shall include only the language specified above in Paragraph 5.4 and be set apart from any other language.
- 5.6 Within ninety (90) days of the date DISH receives Written Notice of Entry of the Consent Decree, Defendant shall make an initial report by a sworn declaration to Plaintiff identifying the number of consumers to whom the Defendant paid restitution and the total amount of credits and refunds paid to consumers. Sixty (60) days later, Defendant shall make a final report. In the reports, Defendant shall also identify the amount of credit or refund Defendant was unable to provide for any reason. For one year after the date of the sworn declaration, Defendant shall retain the names, amounts, addresses, and dates of refunds made to consumers in the event that any consumer claims that he or she did not receive a refund to which the consumer contends he or she is entitled. Defendant shall resolve any disputed claim for restitution promptly and in good faith, regardless of whether the consumer complains to the Attorney General's Office or directly to Defendant.

VI. ADDITIONAL CONSUMER PAYMENT

- 6.1 <u>Payment.</u> Defendant shall offer current customers who paid the Washington Surcharge a choice of one of the following:
 - (a) \$10.00 one-time bill credit,
 - (b) Two pay-per-view movies, or
- (c) Access to Epix movie channel at no additional charge for two months for customers who do not then currently subscribe to Epix, without any obligation to subscribe beyond the free two-month access.

Provided, however, current <u>commercial</u> customers who submit a timely claim form pursuant to this Section shall receive a \$10.00 one-time bill credit and are not eligible to receive the pay-per-view movie or Epix movie channel options.

- 6.2 Web Page and Claim Form. No later than April 25, 2014, Defendant shall provide consumers with access to a web page to file an online claim for one of the options set forth in Paragraph 6.1. The web page shall be operational for one hundred twenty-five days (125) from the date DISH receives Written Notice of Entry of the Consent Decree. The web page shall enable consumers to select an option set forth in Paragraph 6.1 and file the claim. Defendant shall acknowledge each claim submitted online by email or U.S. Mail. For consumers who do not have the ability to file a claim online or who choose not to file a claim form online, Defendant shall accept claim forms in writing or by telephone. The web page content shall be approved by the Attorney General and shall not contain any Advertising or promotion of any Goods or Services. Defendant shall provide notice of the availability of the online claim form as set forth in Paragraph 6.3.
- 6.3 <u>Notice of Claim.</u> Within forty-five (45) days of the date DISH receives Written Notice of Entry of the Consent Decree, Defendant shall provide each customer who paid the Washington Surcharge and is then receiving services from DISH, written notice informing them of their option to choose one of the three options set forth in Paragraph 6.1.
- (a) DISH shall send the notice by U.S. Mail to each current DISH customer who was charged for, and paid, the Washington Surcharge;
- (b) DISH shall send the notice by email to each current DISH customer who was charged for, and paid, the Washington Surcharge and who regularly receives invoicing from DISH via email;

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- (c) DISH shall include language on both sides of the notice required by Paragraph 6.3(a) informing the consumer that the notice contains claim information and shall refer to the claim process in the subject line of the email notice required by Paragraph 6.3(b);
- (d) The notice shall specify a web page the consumer may access to make a claim online for one of the options set forth in Paragraph 6.1;
- (e) The notice shall specify a toll-free telephone number the consumer may call to either make a claim over the telephone for one of the options set forth in Paragraph 6.1 or request DISH to send a written claim form that the consumer may submit to DISH to make a claim for one of the options set forth in Paragraph 6.1. In the event DISH cannot accept a claim over the telephone, DISH shall provide a self-addressed, postage pre-paid return mail piece to each consumer who requests a written claim form. DISH shall mail any consumer who requests a written claim form a claim form within five (5) business days of the consumer's request; provided, notwithstanding Paragraph 6.3(f) and 6.8, any consumer to whom DISH mails a claim form pursuant to this subsection must return the claim from within one hundred thirty (130) days of the date DISH receives Written Notice of Entry of the Consent Decree;
- (f) The notice shall state in boldface type that consumers must submit their claim by one hundred twenty-five days (125) after the date DISH receives Written Notice of Entry of the Consent Decree.
- (g) The parties shall jointly develop the content of the written notices required by this Paragraph 6.3 and the written claim form and telephone script set forth in Paragraph 6.3(e). All notices required by this Section shall be approved by the Attorney General.
- 6.4 Forty-five (45) days after DISH sends the notices required by Paragraph 6.3 to consumers, DISH shall send second, identical notices to each DISH customer who paid the Washington Surcharge, is then receiving services from DISH, and did not submit a claim for an option set forth in Paragraph 6.1. The notices shall conform to the requirements set forth in

Paragraph 6.3, except that DISH is not required to send the second notice by U.S. Mail to consumers who regularly receive their invoices by email.

- 6.5 Within thirty (30) days of the date DISH receives Written Notice of Entry of the Consent Decree, Defendant shall provide one 30-second public service announcement to each DISH customer who paid the Washington State surcharge, is then receiving services from DISH, and has a set-top box that is capable of receiving an addressable public service announcement. The parties shall jointly develop the content of this public service announcement, which shall notify current customers of the existence and availability of the claim process for a credit or free services at the consumer's option, and the Attorney General shall have final approval of the content. The parties shall agree on the week during which the public service announcement will be provided.
- 6.6 Other than listing the options to receive two pay-per-view movies or two months of Epix movie channel and a description of Epix movie channel, no Advertising or promotion of any Goods or Services shall be included in any communication with consumers regarding this Consent Decree, including the notices required under Paragraph 6.3.
- 6.7 The parties agree that the Attorney General's Office may, at its expense, provide a written claim form to any current customer of Defendant who requests a claim form, including making a claim form available on its website. The Attorney General shall submit the claim forms to Defendant and Defendant shall process the claims for all current DISH customers who paid the Washington Surcharge subject to the deadline set forth in Paragraph 6.8.
- 6.8 Except as set forth in Paragraph 6.3(e), claim forms must be returned to Defendant no later than one hundred and twenty-five (125) days after the date DISH receives Written Notice of Entry of the Consent Decree. Defendant must process all valid claims and provide the consumer the bill credit, product, or service as selected by the consumer within thirty-five (35) days of receipt of a valid claim. Provided, however, Defendant must pay or provide all valid

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claims within one hundred and sixty (160) days of the date DISH receives Written Notice of Entry of the Consent Decree.

- 6.9 Defendant must submit a sworn declaration to the Attorney General's Office stating the total number of claims filed, the total number of valid claims filed, and the total number of each option provided pursuant to Paragraph 6.1 within one hundred eighty-five (185) days of the date DISH receives Written Notice of Entry of the Consent Decree. For one year after the date of the sworn declaration, Defendant shall retain the names, options selected, addresses, claim date, and date option provided to consumers in the event that any consumer claims that he or she did not receive a payment or programming option under Paragraph 6.1 to which the consumer contends he or she is entitled. Defendant shall resolve any disputed claim promptly and in good faith, regardless of whether the consumer complains to the Attorney General's Office or directly to Defendant.
- 6.10 In the event that the total dollar value of valid claims timely submitted by consumers is less than \$3 million, Defendant will distribute the difference between \$3 million and the total dollar value of such claims, not to exceed \$1 million on a pro rata basis as a bill credit to each DISH customer who paid the Washington Surcharge and is then receiving services from DISH. Defendant shall distribute the pro rata bill credits, if any, within thirty-five (35) days of the date of the sworn declaration to the Attorney General's Office required by Paragraph 6.9. The bill credit shall be accompanied by a statement on the consumer's bill identifying the credit as a result of this Consent Decree with language similar to that required by Paragraph 5.3(a) and that is agreed upon by the parties.
- 6.11 Defendant must submit a sworn declaration to the Attorney General's Office stating the total number of consumers who received a bill credit pursuant to Paragraph 6.10 and the amount of the bill credits. The sworn declaration shall be submitted within thirty-five (35) days of final distribution through bill credits. For one year after the date of the sworn declaration,

Defendant shall retain the names and address of all consumers who received a bill credit pursuant to Paragraph 6.10 in the event that any consumer claims that he or she did not receive a bill credit under Paragraph 6.10 to which the consumer contends he or she is entitled. Defendant shall resolve any disputed claim promptly and in good faith, regardless of whether the consumer complains to the Attorney General's Office or directly to Defendant.

- 6.12 The non-cash choices listed in Paragraph 6.1 shall have a cash value of \$10.00 for purposes of valuing the claim forms under Paragraph 6.10.
- 6.13 Defendant shall bear all costs associated with preparing, administering, and providing the claim forms and consumer notice required by this Section, excluding Paragraph 6.7.

VII. PAYMENT TO THE STATE

- 7.1 Defendant shall pay the amount of \$569,500 to the Attorney General. The Attorney General shall use the funds for recovery of its costs and attorneys' fees in investigating this matter, future monitoring and enforcement of this Consent Decree, future enforcement of RCW 19.86, or for any lawful purpose in the discharge of the Attorney General's duties at the sole discretion of the Attorney General.
- 7.2 Payment owed under this provision shall be in the form of a valid check paid to the order of the "Attorney General—State of Washington" and shall be due and owing within thirty (30) days of the date DISH receives Written Notice of Entry of the Consent Decree. Payment shall be sent to the Office of the Attorney General, Attention: Cynthia Lockridge, Administrative Office Manager, 800 Fifth Avenue, Suite 2000, Seattle, Washington 98104-3188.

VIII. ENFORCEMENT

- 8.1 Violation of any of the injunctions contained in this Consent Decree shall subject Defendant to civil penalties pursuant to RCW 19.86.140.
- 8.2 In any action to enforce the terms of this Decree, the Plaintiff may seek additional remedies, including but not limited to restitution, injunctive relief, civil penalties, in addition to

any other remedies permitted by law. The prevailing party may request recovery of costs and attorney's fees to the extent provided by law.

- 8.3 This Consent Decree is entered pursuant to RCW 19.86.080. Jurisdiction is retained for the purpose of enabling any party to this Consent Decree, with or without the prior consent of the other party, to apply to the Court at any time for enforcement of compliance with this Consent Decree, to punish violations thereof, or to modify, clarify, or declare rights under this Consent Decree. Defendant may, after three (3) years from the date of issuance of this document, petition this Court for a release from or modification of any requirement herein. Such a petition will not subject Defendant to liability for attorney's fees absent a showing of bad faith. Provided further, if any provision of this Consent Decree directly conflicts with, or makes it impossible to comply with, a provision of any subsequent order lawfully issued by another court of competent jurisdiction, either party may petition this Court with notice and opportunity to be heard afforded to the opposing party for modification of the Consent Decree; each party shall bear its own costs in any proceeding to determine whether there is a conflict or impossibility between the Consent Decree and any subsequent order.
- Representatives of the Office of the Attorney General are permitted to access, inspect, and/or copy all business records or documents under control of Defendant that do not contain subscriber personally identifiable information in order to monitor compliance with this Consent Decree after ten (10) business days' written notice to Defendant, provided that the inspection and copying shall be done in such a way as to avoid disruption of Defendant's business activities. Failure to comply with this Paragraph will be considered a violation of the terms of this Consent Decree.
- 8.5 Representatives of the Office of the Attorney General are permitted to question, in person or by written interrogatory any person or entity charged with performing any act or task required hereunder in order to monitor compliance with this Consent Decree after ten (10)

business days' written notice to Defendant, provided that the questioning shall be done in such a way as to avoid disruption of Defendant's business activities. Failure to comply with this Paragraph will be considered a violation of the terms of this Consent Decree.

- 8.6 In the event the laws of the State of Washington change to expressly permit entities to charge Washington consumers the Washington B&O Tax as a separate item, Defendant shall not be required to comply with the injunctive provisions set forth in Paragraph 4.3(a) and (b) of this Consent Decree subsequent to the change in law and shall not be subject to any penalty for violating the injunctive provisions of Paragraph 4.3(a) and (b) of this Consent Decree subsequent to the change in law.
- 8.7 Nothing in this Consent Decree shall be construed as to limit or bar any other governmental entity from pursuing other available remedies against Defendant. By entering into this Consent Decree, Defendant does not waive any claims or defenses it may have in any other proceeding, except those claims or defenses expressly waived in this Consent Decree. This Consent Decree is not binding on any person or entity other than Defendant and the Attorney General's Office.
- 8.8 Under no circumstances shall this Consent Decree or the name of the State of Washington, the Office of the Attorney General, Consumer Protection Division, or any of their employees or representatives be used by or on behalf of Defendant in connection with any selling, advertising, or promotion of products or services or as an endorsement or approval of Defendant's acts, practices, or conduct of business.
- 8.9 This Consent Decree resolves with prejudice all issues raised by the Attorney General under the Consumer Protection Act pertaining to the acts addressed in the Complaint filed in this matter that may have occurred before the date of the entry of this Consent Decree.

1	IX. DISMISSAL AND WAIVER OF CLAIMS
2	9.1 Upon entry of this Consent Decree, all claims in this matter not otherwise
3	addressed by this Consent Decree are dismissed.
4	DONE IN OPEN COURT this day of, 2014.
5	NANCY BRADBURN JOHNSON
6	JUDGE/COURT COMMISSIONER
7	
8	Presented by: Approved for Entry, Notice of Presentation
9	Waived: ROBERT W. FERGUSON
10	Attorney General
11	Lech MIMM
12	SHANNON E. SMITH, WSBA #19077 SARAH A. SHIFLEY, WSBA #39394 BRUCE E. H. JOHNSON, WSBA #7667 Davis Wright Tremaine LLP
13	Assistant Attorneys General 1201 3 rd Ave Ste 2200
14	Attorneys for Plaintiff Seattle, WA 98101 State of Washington
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